



the technical analyst

AWARDS 2011

F I N A L I S T

5th August 2011

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EuroStoxx

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WEEKLY trading guide to major World stock indices

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Disclaimer



STOCKS

STOCKS: This is an interim survey – there will be another on Monday evening. The sell-off of the last few days has been dramatic. But the speed with which the markets are moving is such that there is little time to trade between technical levels. **At this juncture, before the US data on Friday, markets are sitting on important supports which need to be confirmed broken before fresh selling looks advisable.**

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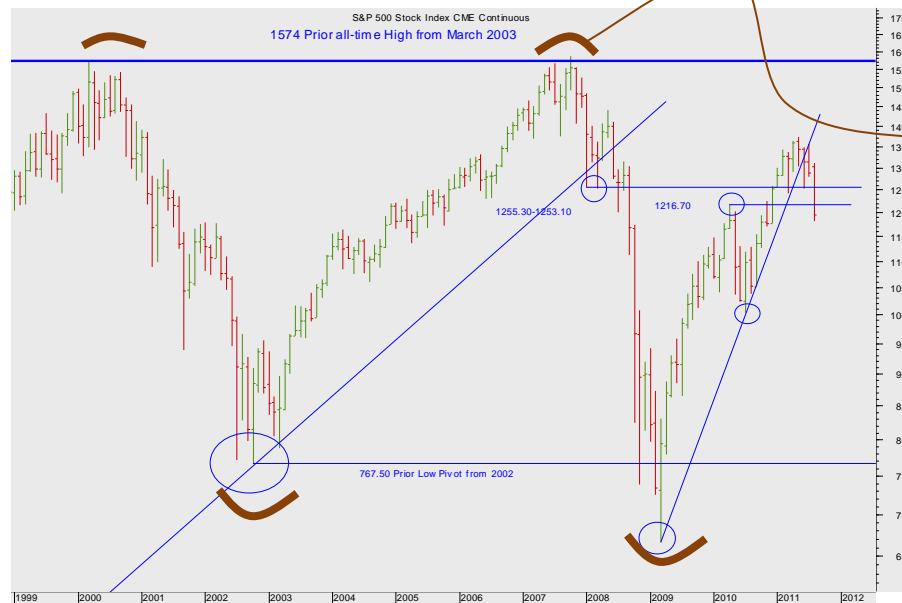
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CME S&P 500



CME S&P 500 monthly cont. futures chart

The double failure at 1553 and 1555 - right at the 1574 High from 2003 was **very negative for the market.**

But the double bounce led to a spectacular rally from 2008

Now that rally is threatened –

- (1) The diagonal trendline support is broken
- (2) The support from the Prior High 1216.70 is broken

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S&P 500

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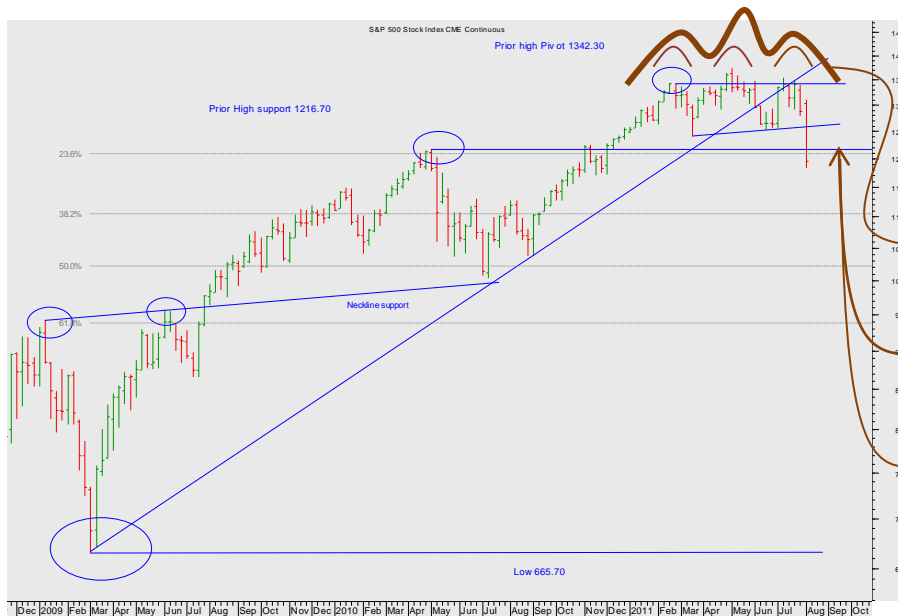
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S&P 500



CME S&P 500 cont weekly cont. chart

1. The market has **failed** three times.
2. A Head and Shoulders Top has been completed.
3. The Prior high support at 1216.70 is **threatened**.
4. The Fibonacci support at 1216 too is **threatened**.

Medium-term bears need to see if the market will find support at the 1216 level.



CME S&P 500 Sep 11 Day chart

In the Sep 11 chart a **Head and Shoulders Top** has completed, for which there is a minimum move down to **1140**.

(Not e the pause at the Fib support 1190....)

Massive resistance lies above the market now at the Neckline and the band of horizontal resistance from 1239-1252.



S&P 500

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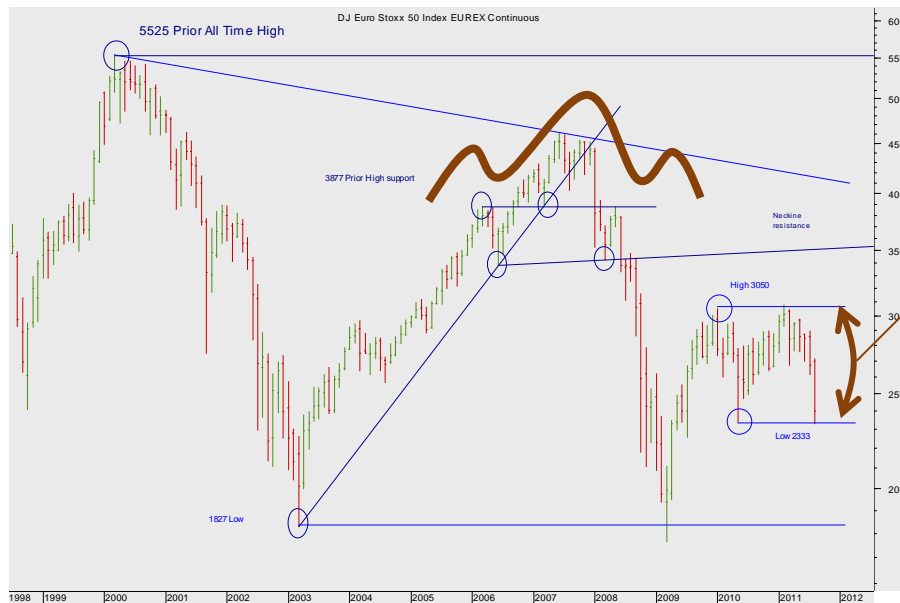
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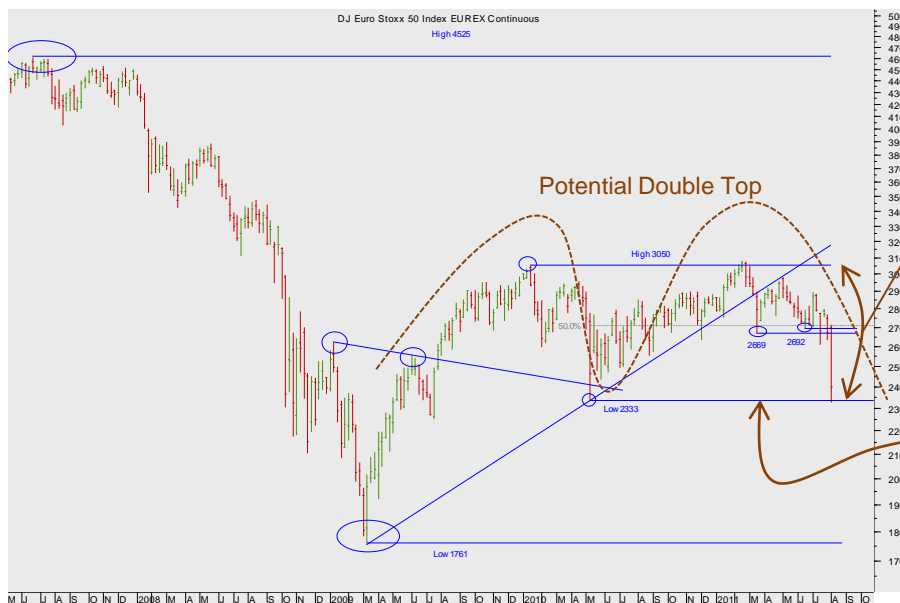
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Eurex EuroStoxx 50 monthly continuation futures chart

The market has plunged to the bottom of a medium-term trading range

Look closer within that range.



Eurex EuroStoxx 50 weekly continuation futures chart

There is a lack of clarity within that range.

Certainly good resistance lies above the market at the Prior Lows 2669-2692.

But traders should stand aside unless the 2333 level breaks - which would create a Double Top

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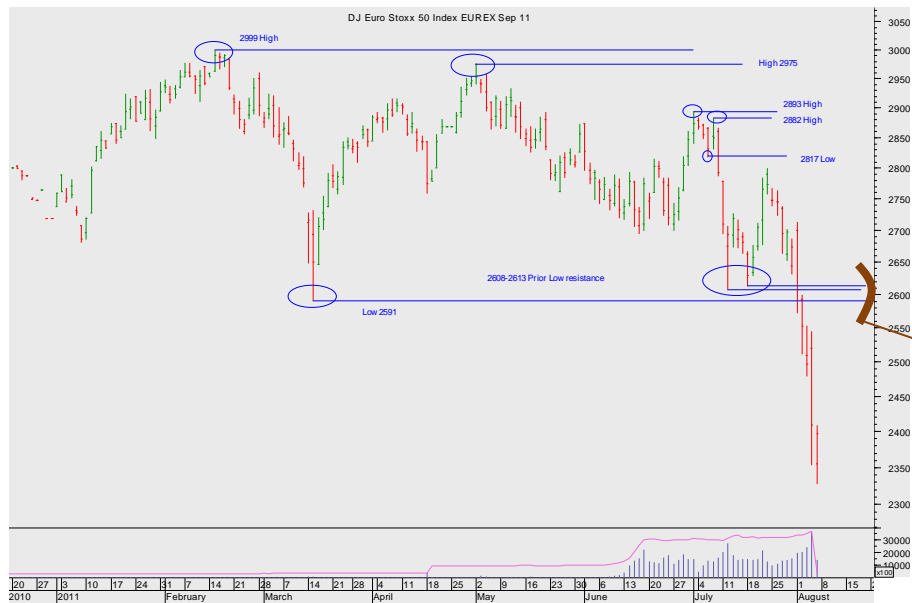
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Eurex EuroStoxx 50 Sep 11 futures chart

The dramatic breakdown is clear but gives little clue to the support from the medium-term chart.

Obviously massive resistances lie above the market from the lows 2591, 2608, 2613.



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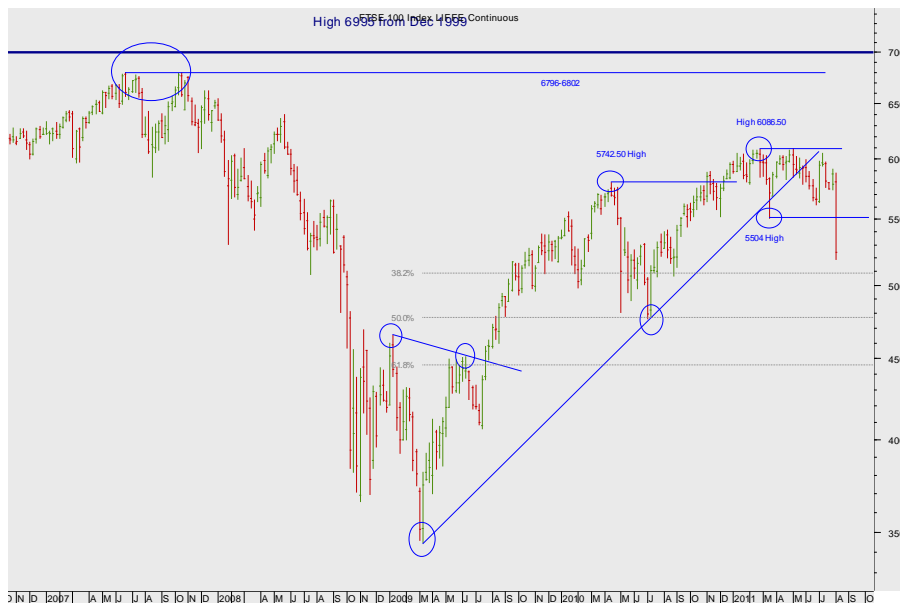
Liffe FTSE 100 monthly continuation futures chart

The market is in a massive trading range (or a possible large bull Continuation Triangle)

In the near term, the market has pulled back through the Prior High support at 5796...

... and possibly completed a small Double Top with the breakdown through 5504.

Look closer.



Liffe FTSE 100 cont. futures chart

In greater detail we can see that the market has completed a convincing Double Top...

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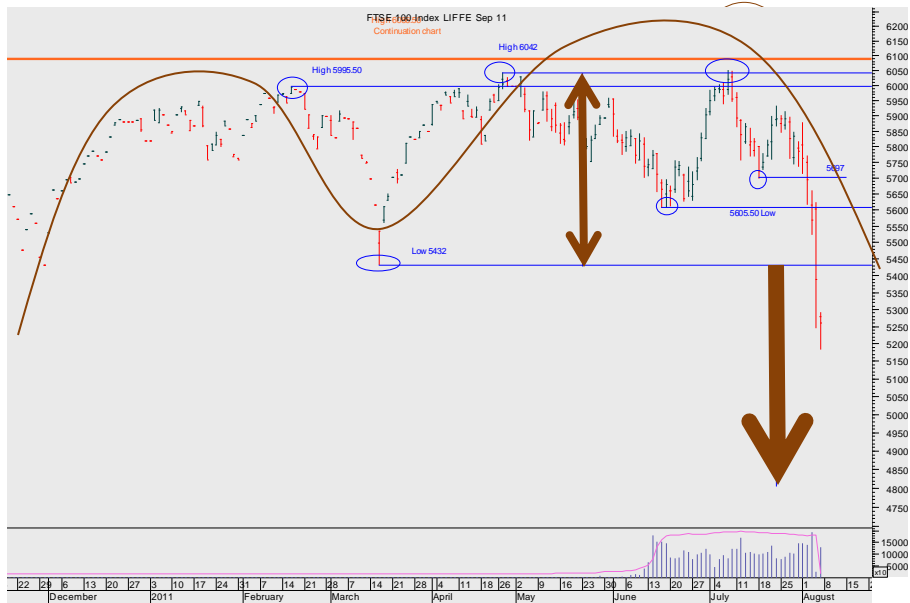
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Liffe FTSE 100 JUN 11 futures chart

The detail of that Double Top is
here, **and note the minimum
move: down to 4800**



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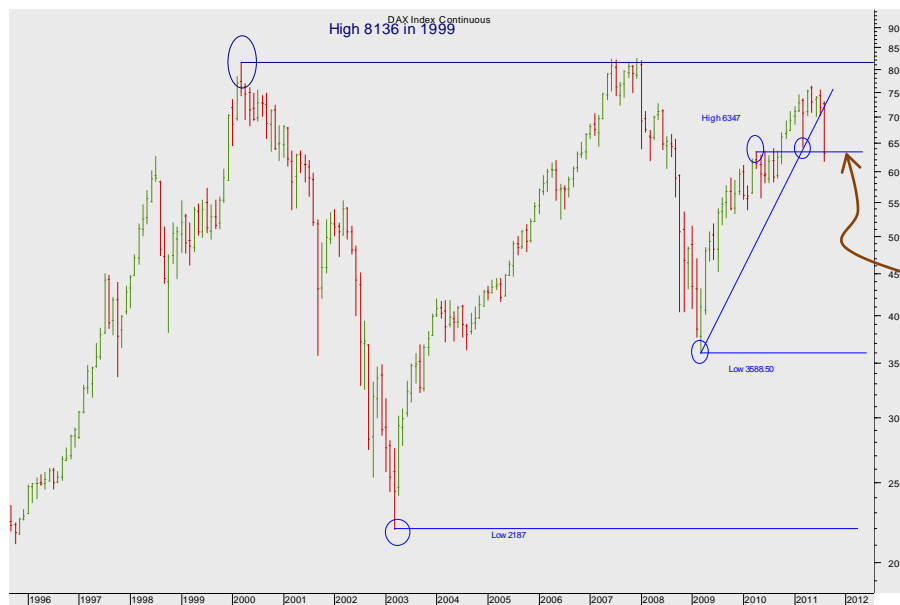
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DAX Monthly futures cont. chart

The has broken the rising trendline support.

And is now testing the Prior High support.

Look closer.



DAX Weekly futures cont. chart

Closer inspection emphasises:

1. the failure of the diagonal bull trend support,
2. the recent triple failure at 7500.
3. And shows a test of the support at 6347.
4. And a possible completed Double Top.

Look closer.

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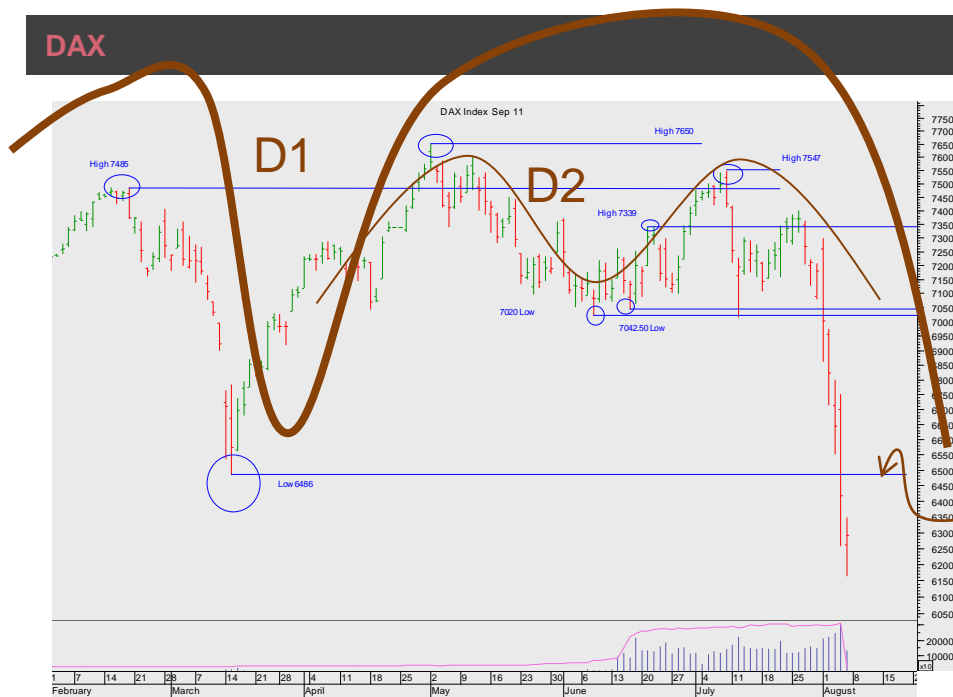
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DAX Daily Sep 11 futures chart

This is a completed large Double Top D1 – it looks like.

And technically, the catalyst for the sell –off of the last week looks like a smaller Double Top D2.

Expect good resistance on any rallies at 6486.



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OSE Nikkei 225 monthly continuation futures chart

In 2008 the market traded down to the Pivotal level of the 7600 low and bounced hard.

Look at the trading range.



OSE Nikkei 225 weekly cont. futures chart

It is hard to find clear short and medium-term structures within the wide range.

Look closer.

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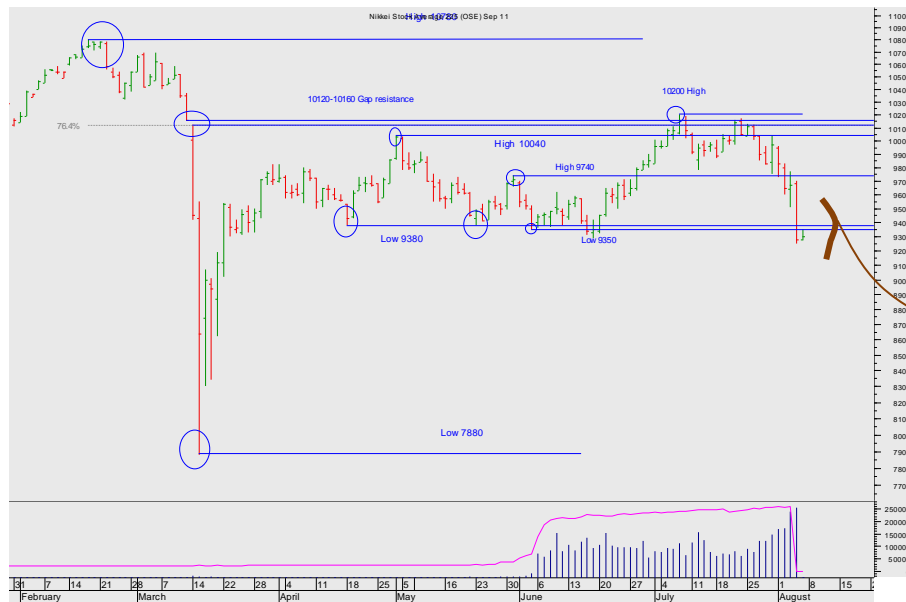
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OSE Nikkei 225 SEP 11 daily futures chart

This price action is more compelling.

The market is testing the bottom of a range.

But wait for a confirmed break below before selling.



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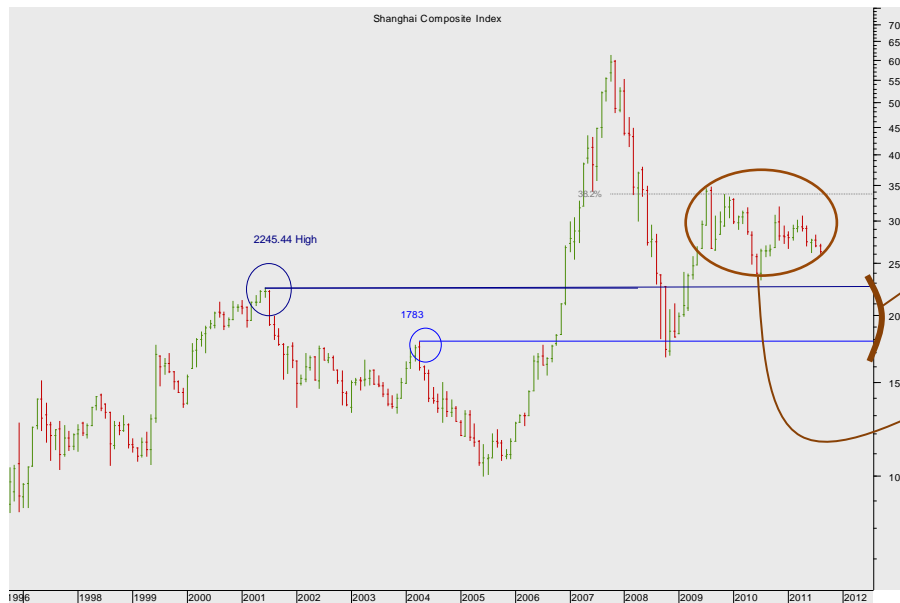
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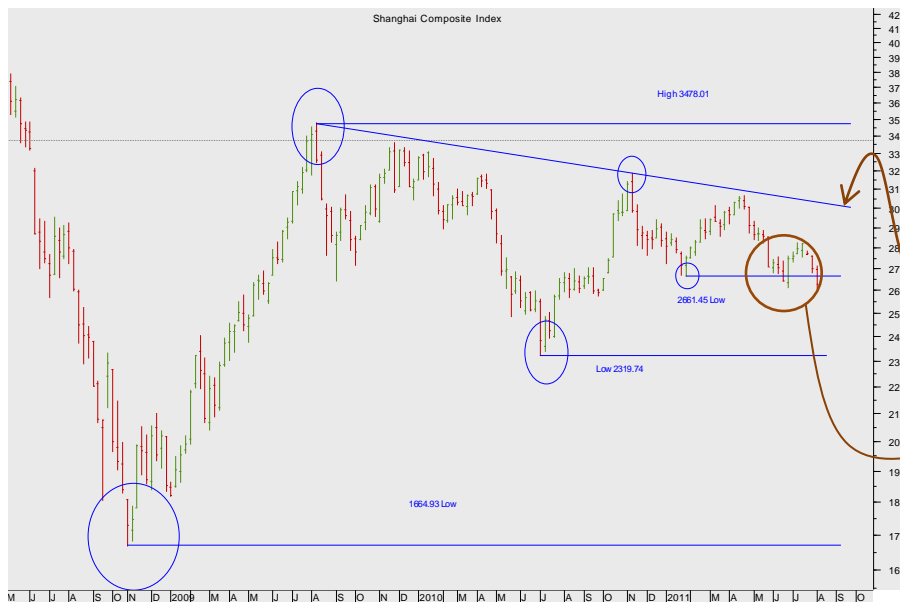


Shanghai Composite index monthly chart

The long term structure of the market is broadly positive.

Note the wide but clear band of support from Prior Highs 1783-2245.44 that held in the sell-off of 2007-8.

Since then the market has been trading sideways – beneath the Fibonacci resistance at 3400 or so.



Shanghai Composite index weekly chart

There is a lack of clear structure within the sideways move since 2009.

Note the downtrend resistance currently above the market at the 300 level.

But on the bear tack, note the failure of the market – pushing beneath 2661.45... Look closer.

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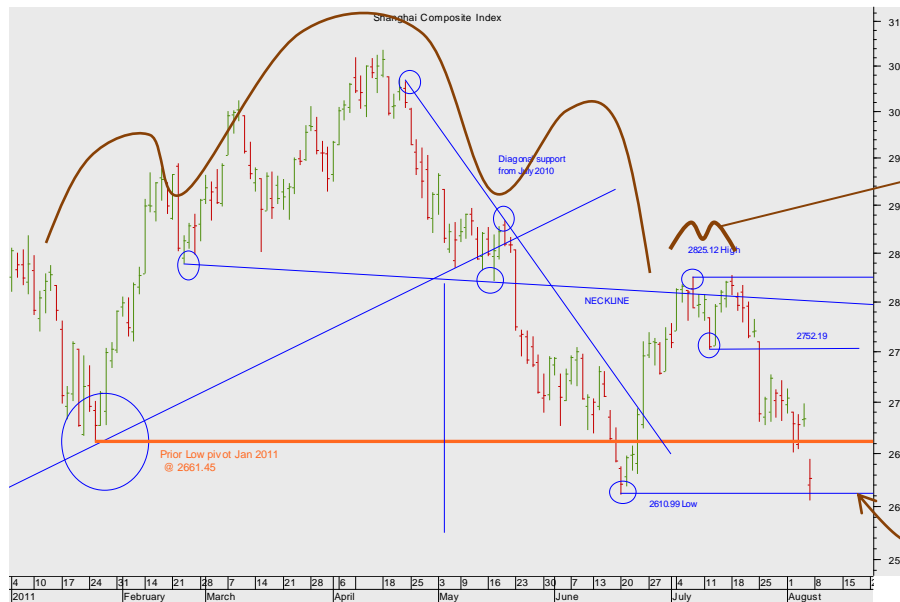
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Shanghai Composite index daily

The rally ran into resistance from the old Neckline from earlier in the year.

A small Double Top resulted

That was the catalyst for the move down – to test the band of support from the Prior Lows....

Watch for a close beneath 2610...before selling.



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